IN THE

Supreme Court of the United States

OCTOBER TERM, 1951.

No. 87.

IN THE MATTER

of

The Application of HAROLD R. DALTON and AUSTIN G. COOLEY for United States Letters Patent.

HAROLD R. DALTON and AUSTIN G. COOLEY,
Petitioners,

vs.

JOHN A. MARZALL as Commissioner of Patents,
Respondent.

PETITIONERS' REPLY BRIEF.

Under the heading "Question Presented" the Respondent limits his opposition to the petition, solely to the jurisdiction of this Court. The questions raised by the petition are predicated on a denial of due process in the Court below, by reason of that Court's unwarranted construction of the statute (Sec. 4914 R. S.), and by reason of its refusal to consider vital and necessary evidence which was certified to it. (See Questions 1 and 2, page 2 of petition.)

As stated by Mr. Justice Frankfurter in 47 Columbia Law Review, page 527 (1947), "It is certainly true of the

Supreme Court that almost every case has a statute at its heart or close to it." The Court below has given what is believed to be an unjustifiably limited meaning to the statute (Sec. 4914 R. S.) and in doing so has deprived the petitioners of their right under the Constitution of the United States, to a proper judicial review. That in itself would justify this Court in granting the petition. It is essential to due process that a reviewing Court such as the Court of Customs and Patent Appeals, consider all the evidence which is *necessary* to a proper determination. The Court below refused to consider the evidence *which goes to the heart of the matter,* namely whether the single prior art reference (R. 73-77) relied upon by the Commissioner, teaches an *electro-sensitive* recording and duplicating telefacsimile blank wherein one of the elements is purposely prepared so as to be an *electrical conductor.* Certainly the statute and fundamental law require the Court below to consider all the *necessary* evidence certified to it and without which it could not arrive at a proper judicial determination.

The Respondent's Argument.

The respondent grounds his argument primarily on *Postum Cereal* v. *California Fig Nut,* 272 U. S. 693 upon which *McBride* v. *Teeple,* 311 U. S. 649 is also based. However, respondent fails to note the clear legal distinction between the refusal of the Commissioner of Patents to entertain an opposition to the mere *registration* of a trade-mark, and the Commissioner's final refusal of patent claims. It is fundamental trade-mark law that a property right in a trade-mark is acquired by mere prior adoption and use. That requires no administrative action by the Commissioner to vest the property right. In the *Postum Cereal* case, the Court could not have settled the common-law prop-

erty right in the trade-mark in such a *registration* proceeding. On the other hand, by final refusal of petitioners' patent claims, the petitioners are forever barred from obtaining their constitutional property rights therein. The "right to contest the validity" which was one of the reasons given by this Court as a ground for lack of jurisdiction in the *Postum Cereal* case, can never arise in petitioners' case until a patent is actually granted to petitioners. Whether or not the patent can be contested in a subsequent infringement action is irrelevant and immaterial. If such kind of contestability were a sound basis for refusing to entertain the petition, it would apply equally well to an appeal to this Court under Sec. 4915 R. S. Obviously therefore this "contestability" test is irrelevant, where the action of the Commissioner is a final adjudication on petitioners' right to certain patent claims. With all due respect to the prior decision in the *Postum Cereal* case, it is believed that the reasoning applying to a mere trade-mark registration, does not apply to a final rejection of a patent claim.

The Cases Cited by the Respondent.

Of the cases cited in pages 5 and 6 of the respondent's brief, some were trade-mark proceedings, and some were patent proceedings. However, all the cases were decided before the enactment of the statute (28 U. S. C. 1256), on June 25, 1948. Of the cases involving patent proceedings, none according to the published decisions raised the constitutional issue of the deprivation of property rights or denial of due process of law by reason of an unwarrantedly limited construction by the Court below of Sec. 4914 R. S., and the refusal of that Court to consider *necessary* evidence *certified to it by the Commissioner*. Nor did they

apparently appreciate the difference in the way a final rejection of patent claims judicially cuts off further determination of property rights therein, as compared with a trade-mark registration proceeding where the property right arises entirely by adoption and use and no cut off of property right ensues.

In summarizing the cited cases, the respondent states "Thus, this Court made it clear that the decision in the *Postum Cereal* case was not based upon lack of finality in the decision of the appellate court but upon the nature of the proceeding." However, it is a fact that the Court of Customs and Patent Appeals does not merely act as an "administrative body". In arriving at a judicial determination, it applies and interprets the decisions of this Court. One of the issues raised by the petition is whether the Court of Customs and Patent Appeals can constitutionally refuse to consider *necessary* and vital evidence *certified to it by the Commissioner,* and whether its interpretations of the prior rulings of this Court are correct. The dissenting opinion of Mr. Justice O'Connell (R. 98-100) shows that the Court below is divided in its construction of the statute.

With respect to respondent's comments on 28 U. S. C., Sec. 1256 and the *Postum Cereal* case, here again it would appear respondent fails to make a distinction between the naked right to review any and all decisions of the Court below, with the power of this Court to protect the constitutional rights of petitioners, against erroneous construction of a Federal Statute, and erroneous interpretations of prior decisions of this Court. The instant proceeding became a "controversy" when the Court below refused to consider *necessary and vital* evidence certified to it, and as to which refusal, petitioners could have had no notice *until the Court below had rendered a decision.* The petition for rehearing clearly raised a controversy and an issue within the consti-

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tutional sense (*Brinkerhoff-Faris Trust* v. *Hill*, 281 U. S. 673; *Saunders* v. *Shaw*, 244 U. S. 317, 320). The Commissioner treated the proceeding below as a case since he appeared by counsel in opposition, and the statute Sec. 4914 R. S. gives the Court below the power of "hearing the *case.*"

The respondent argues that "it is highly unlikely" that Congress intended to enlarge this Court's jurisdiction when it codified the law (Act of June 25, 1948, 62 Stat. 869). The history of the Act does not support respondent's contention. Congress for many years had been studying the effects of decisions of Administrative Agencies, and in order fully to protect the constitutional rights of parties appearing before such Agencies, it enacted the "Administrative Procedure Act of 1946" (Title 5 U. S. C. Secs. 1001 *et seq;* 60 Stat. 237) which gave such parties the "right to judicial review thereof" to redress a "legal wrong" resulting from any Agency action. While the Court of Customs and Patent Appeals may be excluded from the definition of "Agency", presumably if it is merely an "administrative arm" of the Patent Office, it is entirely illogical to assume that Congress in enacting the Act of June 25, 1948 did not intend to give parties the right to redress legal wrongs arising in such an alleged "administrative arm" of the Patent Office. Prior to the codification of June 25, 1948, Congress made a clear reference to the right to petition in Customs cases alone, and expressly included that right even though as a matter of fact even in Customs cases the issue might have been merely an administrative one. If Congress did not intend to enlarge the jurisdiction on petitions it could have *left the statute the way it originally stood.* Instead of doing that, Congress expressly passed the Act extending the jurisdiction without making any distinction between Customs cases and Patent cases in the Court below. The Act

is clear and unambiguous. The respondent is the one raising doubts as to the intentions of Congress, and this he cannot properly do (*Hamilton* v. *Rathbone,* 175 U. S. 414 and cases therein cited). This Court on many occasions has ruled that while a prior Act of Congress can be resorted to, to resolve an ambiguity, it cannot be resorted to, to *create* an ambiguity.

Conclusions.

1. The respondent's brief is grounded on the reasoning in the *Postum Cereal* case, which however must be read in the light of this Court's subsequent decisions (see pages 8 and 9 of petition).

2. Respondent entirely ignores the constitutional issue of deprivation of a property right without due process, arising from the lower Court's unwarranted construction of Sec. 4914 R. S., and its unwarranted interpretation of the prior decisions of this Court (see pages 12-16 of petition).

3. Respondent is "creating" an ambiguity in an otherwise unambiguous Federal Statute (28 U. S. C. 1256).

Respectfully submitted,

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Of Counsel.

July 17, 1951.